

The Arizona Condominium Recovery Fund

*This is general information only. This is NOT legal advice.
Consult with your own attorney at your expense for any legal advice.*

What is the Recovery Fund?

- The Recovery Fund is the source of last resort for repayment of actual and direct out-of-pocket losses resulting from an unfinished condominium project. *(See Arizona Revised Statutes (A.R.S.) §32-2193.31 through §32-2193.43)*
 - It is administered under the direction of the Arizona Real Estate Commissioner.
 - The Fund collects money when a developer applies for a Public Report for a condominium project.
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Who can apply for money from the Fund?

You can apply

- If your contract with the subdivider in connection with the sale of a condominium is terminated without default by you and the subdivider fails to refund your deposit in accordance with the terms of the contract.
 - If the subdivider is not required to and has not placed your deposit in a neutral escrow account or in a trust account of a real estate broker.
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What losses are covered by the Fund?

Examples of Eligible Losses

- Loss of a deposit for a condominium project that was not completed.

Examples of Ineligible Losses

- Lost profits and speculative losses
- Transactions for condominiums in which a neutral escrow company held the deposits or the deposits were held in the trust account of a real estate broker.
- Loans, notes, limited partnerships or other securities, regardless of whether the loss was caused by an investment in or was secured by real property
- A judgment entered against a bonding company if the bonding company is not a principal in the underlying real estate transaction.
- A tenant's conduct or neglect.
- Vandalism.
- Natural causes.
- Punitive damages.
- Undocumented transactions or losses.

Eligible losses must be actual money lost from an unfinished condominium project. You must deduct the value of any payment, settlement, tax credit, or other type of offset received or recovered. The Fund is limited to pay up to 20% of the base price of the unit, and has a cap of \$1,000,000 per project.

If my case appears to meet these criteria, how can I get paid from the Fund?

- Record the court order awarding judgment in the subject real estate transaction with the County Recorder's Office
 - Exhaust all efforts to collect the money from everyone and document those efforts
 - Download the "Application for Payment from the Recovery Fund" Form from our website.
 - Follow all instructions in the application, complete all sections, attach all requested documents, and file it by certified mail in accord with those instructions
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The Recovery Fund Administrator can be reached at 602.771.7760.
